GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:448
ANSWERED ON:19.07.2016
Diversion of Subsidised Urea
Puttaraju Shri C.S.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) whether highly subsidized urea is being diverted for industrial use leading to its shortage for agriculture, if so, the details thereof;

(b) whether the Government has made it mandatory for all domestic urea manufacturers to produce and importers to import neem coated urea to be used for agriculture in order to curb its illegal diversion, if so, the details thereof; and

(c) the total amount of subsidy as well as foreign exchange likely to be saved as a result thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a): Availability of urea in the year 2015-16 and during the current year upto June, 2016 was 329.00 LMT and 75.41 LMT against the requirement of 313.35 LMT and 67.00 LMT respectively. There is no report of shortage of urea meant for agriculture and it is expected that consequent to Neem Coating of Urea the diversion will reduce. Moreover, Government has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955 and notified Fertilizer Control Order, 1985 and Fertilizer (Movement Control) Order, 1973. The State Governments have been empowered to take appropriate action to curb diversion of fertilizers and initiate action against the persons who violate these orders. Department of Fertilizers has, from time to time, written to the Chief Secretaries of various States and Ministry of Home Affairs to activate the enforcement agencies under their jurisdiction to take appropriate action to curb diversion.

(b)& (c): Government of India through Notification No. 12012/1/2015-FPP dated 25.05.2015 has made it mandatory for all domestic producers to produce 100 % Neem Coated Urea (NCU). Entire quantity of indigenously produced subsidized urea is being neem coated w.e.f. 1st September, 2015. Imported Urea is also being neem coated w.e.f. Ist December, 2015.Since Neem Coated Urea has been introduced recently, it is too early to assess its impact on subsidy and import.

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